MEMORANDUM FOR THE RECORD

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FROM: Andrew J. Percival
Office of General Counsel

SUBJECT: Agency Connections with the Grand Bahama Development Company

REFERENCE: A. Memo fm C/CCS for Dep. Gen. Counsel, dtd 15 Sept. 76, Same Subj., OGC 76-5044

B. Memo fm D/OS, for OGC, dtd 3 Sept. 76, Subj: Grand Bahama Development Corp. and Wallace Groves OGC 76-4861

1. Referent B forwards an analysis of possible Agency involvement with suspected criminal elements in the Bahamas. Referent A is a commentary on this analysis that details CCS relationships with individuals associated with a company that is reputed to be an employer of organized crime figures. No specific fact is presented that would legally raise the suspicion of the commission of a violation of law, morality or ethics by the U.S. citizen businessmen now cooperating with this Agency: Major General William P. Fisher (USAF-Ret.); Mr. John P. Roulett (USN-Ret.); and Mr. Albert Whisnant.

2. In the sensitivity of this time, it would be imprudent not to recognize that mere proximity to unsavory elements is sufficient for some to suggest guilt by association. This Agency recognizing that unfortunate fact of life has an obligation to protect the rights of those upon whom we have prevailed to cooperate. The only direct method immediately apparent is to sever our relationship with voiced gratitude for past services in the national interest. The timing proposed by C/CCS in referent A appears appropriate.

3. It should be noted that General Fisher's son is a [DDO case officer.] That fact dictates that every effort be made to contain the substance of this and referent memoranda to the narrowest possible audience to preclude unwarranted acrimony and suspicion until proof positive of evil or criminal activity is certain, which event is extremely doubtful.

Andrew J. Percival

cc: Mr. Morrison
Mr. Isenstead
Mr. Koehler
Mr. Gambino

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